

SAN FRANCISCO WAR MEMORIAL AND PERFORMING ARTS CENTER

War Memorial Opera House
 War Memorial Veterans Building
 Herbst Theatre/Green Room
 Louise M. Davies Symphony Hall
 Harold L. Zellerbach Rehearsal Hall

ANNUAL REPORT

Fiscal Year 1998-99

WAR MEMORIAL BOARD OF TRUSTEES

S/S

June 1999



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SAN FRANCISCO WAR MEMORIAL AND PERFORMING ARTS CENTER

FY 1998-99 Annual Report

MISSION STATEMENT

The San Francisco War Memorial and Performing Arts Center is responsible for the construction, administration, management, maintenance and operation of the War Memorial and Performing Arts Center buildings and grounds which include the War Memorial Opera House, War Memorial Veterans Building, Louise M. Davies Symphony Hall, Harold L. Zellerbach Rehearsal Hall, the Memorial Court and the grounds immediately adjacent to each building. The goals of the War Memorial department include:

- Maximize use of the War Memorial and Performing Arts Center facilities to provide a wide range of performing arts presentations, cultural events and other programs.
- Provide first class venues, facilities and services.
- Be an immaculately presented cultural landmark and architectural masterpiece.
- Increase and diversify visitors to the Performing Arts Center and exceed their expectations.

SUMMARY OF RESPONSIBILITIES AND SERVICES

War Memorial Board of Trustees:

Consistent with the mission statement, the War Memorial Board of Trustees is responsible for the administration, management, maintenance and operation of the War Memorial buildings and grounds, including:

- The Board of Trustees administers the War Memorial Trust Agreement, executes terms and conditions and manages trust assets consistent with the purposes of the Trust Agreement.
- The Board formulates policy for operation of the Performing Arts Center, establishes guidelines for departmental management and staff and develops short- and long-range plans and goals for the operation and maintenance of the Center.
- The Board reviews and approves the department's annual operating and capital budgets, all lease agreements for use of the Performing Arts Center buildings and grounds and all agreements for contractual services.

Departmental Services:

The War Memorial and Performing Arts Center department executes and implements the War Memorial Board of Trustees' policies and directives, and provides services including:

- Scheduling and licensing rental uses of the Opera House, Davies Symphony Hall, Herbst Theatre, Green Room and Zellerbach Rehearsal Hall.
- Coordination of licensee services including box office and ticket sales services, stage production and technical services, front-of-house operations, food and beverage concessions and catering, promotional assistance and program and merchandise sales.
- Administration of the use and occupancy of non-performance space and facilities by beneficiaries of the War Memorial Trust Agreement (i.e. veterans organizations) and others, and coordination of occupant services.
- On-going operation and maintenance of buildings and grounds, including engineering, custodial and security services; compliance with applicable laws and codes; and upgrading facilities, equipment and services to provide accessible, safe, clean and up-to-date public facilities for the use and enjoyment of licensees, patrons, occupants and guests.
- Patron and public services including public information, lost and found, facilities' tours and program accessibility.

ACTIVITIES AND ACHIEVEMENTS

The War Memorial department has one program, "Operation and Maintenance of Entertainment and Cultural Facilities," providing for the safe, proper and efficient operation and maintenance of the War Memorial and Performing Arts Center. This program includes all facilities' licensing, scheduling and coordination; administration of all contractual, concession and personal services; and all operational and maintenance duties including engineering, custodial, security and stage production; and planning and implementing facilities maintenance and capital improvement projects.

The War Memorial is a special fund department receiving annual revenues from two sources: 1) annual allocation from the City's Hotel Tax Fund; and 2) earned revenue from facilities' rentals, concessions and services. The War Memorial receives no General Fund support and must fund its annual operating and capital budgets within its special revenue fund capability. This requires careful planning of special revenue fund appropriations and accruals to insure the availability of sufficient funds to support the department's on-going operation and maintenance and to support both current and future capital program needs.

FY 1998-99 Facilities Rentals and Usages:

1. Performances and Events: In FY 1998-99, a total of 832 performances and events took place in the War Memorial's performance facilities, with total attendance of 1,180,097, as follows:

<u>Facility</u>	<u>Performances/</u>		<u>Percentage of</u>
	<u>Events</u>	<u>Attendance</u>	<u>Available Dates</u>
Opera House	223	518,683	95.1%
Davies Symphony Hall	222	500,759	82.6%
Herbst Theatre	233	123,532	71.2%
Green Room	<u>154</u>	<u>37,123</u>	<u>49.3%</u>
TOTAL	832	1,180,097	74.5%

There were a number of special and notable events in the War Memorial facilities during FY 1998-99, including:

- A 40-performance engagement of the Broadway show "Barrymore," presented by Shorenstein/Hayes/Nederlander in the Herbst Theatre from August 4 to September 6, 1998.
- San Francisco's commemoration of the lives and contributions of Mayor George Moscone and Supervisor Harvey Milk in the War Memorial Opera House on November 24, 1998.
- UCSF Foundation's "Raising Hope" performance benefitting the Cancer Center of the University of California San Francisco, in Davies Symphony Hall on January 13, 1999.
- The 1999 Goldman Environmental Prize Ceremony in the War Memorial Opera House on April 19, 1999.
- The San Francisco Symphony presented its bi-annual "Black & White Ball" on June 5, 1999, in the Opera House, Veterans Building and Davies Symphony Hall as well as other Civic Center venues.
- Beach Blanket Babylon presented a special 25th Anniversary Celebration performance in Herbst Theatre on June 7, 1999.

2. Other Facility Rentals and Usages: In addition to performances and events, other rentals and usages of the War Memorial facilities included:

- Zellerbach Rehearsal Hall: There were a total of 621 rental usages of the three rehearsal facilities in Zellerbach Rehearsal Hall during FY 1998-99.
- Film and Photo Activity: During FY 1998-99, the War Memorial issued 30 license agreements for film and photographic activities in and on the War Memorial and Performing Arts Center premises, generating earned revenue of \$21,350.
- Veterans Meeting Rooms: The San Francisco Posts of the American Legion, beneficiaries under the 1921 War Memorial Trust Agreement for use and occupancy of space in the Veterans Building, scheduled approximately 75 veterans' meetings per month in the nine veterans' meeting rooms in the War Memorial Veterans Building.
- Veterans Building Usage: In December 1998, the majority of City Hall offices which were temporarily housed in the Veterans Building during the seismic upgrade of City Hall--including offices of the Mayor and Board of Supervisors--relocated back to the newly renovated City Hall. In anticipation of this relocation, in November 1998, the War Memorial Board of Trustees approved a short-term plan for use of the Veterans Building space to be vacated by City Hall offices. In accordance with this plan, the Law Library and San Francisco Art Commission Gallery remained in the building, and new short-term City occupants, including offices of the Municipal Railway, Treasurer/Tax Collector and Mayor's Office on Disability Access, moved into the Veterans Building third and fourth floors in early 1999. This plan also provided for the relocation to the Veterans Building of the Performing Arts Library & Museum, and "PALM" moved into its new quarters in March 1999 and opened to the public on May 12, 1999.

FY 1998-99 Facilities Operations and Planning:

1. Food and Beverage Concession and Catering Services: In August 1998, the War Memorial entered into an agreement with Restaurant Associates to provide food and beverage concession and catering services in the Performing Arts Center facilities for a three-year period commencing September 1, 1998, and with a two-year renewal option. This followed a very difficult two-year period during which the War Memorial conducted two "Request for Proposal" processes to find a food and beverage operator who was qualified and experienced in providing high quality concession and catering services and who was prepared to make a financial investment in improvements to food and beverage facilities. A five star food and beverage service is essential to the experience and enjoyment of our patrons and visitors, and we had learned from customer satisfaction tracking in previous years that we needed to improve in this area. Together with Restaurant Associates, we have developed clear goals to broaden food and beverage services and increase patron and visitor satisfaction. As a result of this strengthened partnership, food and beverage patronage has boomed, and during Restaurant Associates' first 10 months of operation, food and beverage sales have increased by 27% over the previous operator's sales during the prior year. The War Memorial is very pleased with this new association with Restaurant Associates which has drawn very positive response from licensees and patrons.
2. Veterans Building Long-Range Planning: As part of the process of determining plans for the future of the War Memorial Veterans Building, during FY 1998-99, the War Memorial approved and implemented a plan for the temporary use of space in the Veterans Building by several City agencies as well as the Performing Arts Library & Museum. This short-term

occupancy plan will provide for the continued use, maintenance and upkeep of the building while the War Memorial studies plans for future long-term uses of the Veterans Building.

The Veterans Building Planning Committee of the War Memorial Board of Trustees met on four occasions during FY 1998-99 to discuss issues relating to the future of the Veterans Building, including the development of plans for seismic strengthening and modernization of the Veterans Building through a bond program proposal or other process; evaluating short- and long-term needs of the War Memorial Trust Agreement as to their use and occupancy of Veterans Building space; and identifying and considering other future uses of the Veterans Building. In June of 1999, the War Memorial Board of Trustees requested the advice and opinion of the City Attorney with regard to the Trustees' authority, jurisdiction, restrictions and procedural requirements in considering and determining plans for future uses of the Veterans Building under the War Memorial Trust Agreement, City Charter and other enabling legislation and documents that govern the utilization of the Veterans Building. The Board of Trustees will be continuing its discussion and consideration of issues relating to the future of the Veterans Building over the next few years.

Capital Program: A wide range of improvements was made during FY 1998-99 to ensure the best possible facilities for licensees, patrons, occupants and guests, and to ensure continued public comfort and safety. Several of the projects implemented during FY 1998-99 were:

- War Memorial Opera House
 - Installation of handrails on exterior front steps (completed November 1998)
 - Installation of handrails in the Balcony Circle and Balcony seating sections of the auditorium (completed July 1999)
 - Major repairs to areas of the roof and parapet deck (completed July 1999)
- War Memorial Veterans Building
 - Replacement of sewer drains serving Herbst Theatre lower lounge (completed September 1998)
 - Replacement of Herbst Theatre stage floor (completed October 1998)
 - Design of accessible ramp for the second floor Green Room (design completed October 1998 for bid process)
- Louise M. Davies Symphony Hall
 - Replacement of original (1980) fire alarm system with updated/code compliant system (completed 9/99)
 - Replacement of flat roofs over the auditorium and administration/office level (completed 9/99)
 - Final phase of the Auditorium Seat Upgrade project including: 1) replacement of 1,046 seats in the orchestra level; 2) reupholster seat-backs on 1,378 seats in the terrace, loge, first tier and second tier seating sections; and 3) modify accessible seats in all auditorium seating sections (completed 9/99)

SAN FRANCISCO WAR MEMORIAL AND PERFORMING ARTS CENTER
FY 1998-99 Annual Report

FINANCIAL INFORMATION

FY 1998-99 REVENUE	
Description	Amount
Hotel Tax Fund Allocation	8,038,293
Earned Revenue	
Opera House Rent	321,529
Green Room Rent	83,895
Opera House Office Rent	85,443
Herbst Theatre Rent	114,619
Davies Symphony Hall Rent	354,401
Davies Symphony Hall Office Rent	81,814
Opera House/Herbst Theatre Food & Beverage Concessions	46,953
Opera House/Herbst Theatre Program Concessions	11,542
Davies Symphony Hall Food & Beverage Concessions	17,121
Davies Symphony Hall Program Concessions	694
Veterans Building Occupancy Fees (PALM)	8,500
Zellerbach Rehearsal Hall Rent	134,614
Miscellaneous Service Charges	49,493
Total Earned Revenue	1,310,618
Revenue Transfer-In (Veterans Building/City Hall security personnel 7/1/98-1/9/99)	307,576
TOTAL FY 1998-99 REVENUE	9,656,487
Carry-forward Revenue from FY 1997-98	44,685
REVISED TOTAL FY 1998-99 REVENUE	9,701,172

FY 1998-99 EXPENDITURES	
Description	Amount
Salaries	4,397,124
Mandatory Fringe Benefits	1,073,695
Overhead	261,386
Non Personal Services	455,426
Materials & Supplies	200,433
Capital Outlay (Equipment)	1,696
Services of Other Departments	
City Attorney Legal Services	42,934
Telecommunications and Information Services	22,736
Workers Compensation	208,342
Gardening Services	46,000
Light, Heat & Power	373,962
Other Department Services	17,339
Total Services of Other Departments	711,313
TOTAL FY 1998-99 OPERATING EXPENDITURES	7,101,073
Carry-forward Encumbrances to FY 1999-2000	57,730
REVISED TOTAL FY 1998-99 OPERATING EXPENDITURES	7,158,803
Capital Program Appropriations	2,284,632
TOTAL FY 1998-99 DEPARTMENTAL EXPENDITURES	9,443,435

San Francisco War Memorial and Performing Arts Center

Owned and Operated by the
City and County of San Francisco

War Memorial Veterans Building
Herbst Theatre/Green Room
War Memorial Opera House
Louise M. Davies Symphony Hall
Harold L. Zellerbach Rehearsal Hall

401 Van Ness Avenue, Suite 110
San Francisco, California 94102
Telephone 415/621-6600
FAX 415/621-5091

September 1, 2000

The Honorable Willie L. Brown, Jr.
Mayor
City and County of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

The Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 224
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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Fiscal Year 1998-99 Annual Report

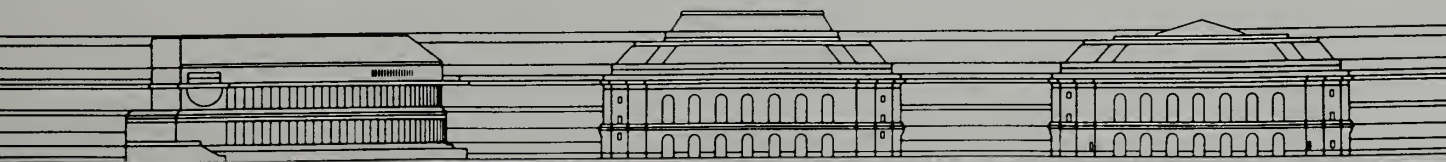
Dear Mayor Brown and Members of the Board of Supervisors:

We are pleased to submit the San Francisco War Memorial and Performing Arts Center's Annual Report for the year ending June 30, 1999.

Fiscal Year 1998-99 was an exceptionally active and productive year for the War Memorial, with more performances and events taking place in our facilities than in any previous year. Approximately 1.2 million people attended a total of 832 performances and events in the Opera House, Davies Symphony Hall, Herbst Theatre and Green Room during 1998-99; an additional approximate 12,000 persons visited the Center to attend the San Francisco Art Commission Gallery, Performing Arts Library & Museum, veterans meetings and facilities tours.

FY 1998-99 was also a year of transition. City Hall offices, which had temporarily occupied the Veterans Building third and fourth floors during the seismic upgrade of City Hall, relocated back to City Hall in December 1998, and new occupants, including several City agencies and the Performing Arts Library & Museum, moved into the Veterans Building in early 1999. Our new food and beverage operator, Restaurant Associates, commenced operations in September 1998, and introduced new and improved service levels and a broader range of food and beverage options to meet the varied food and beverage needs of our licensees and audiences.

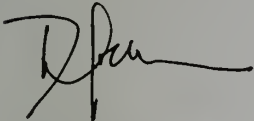
This past year was as well a year of planning for the future. In conjunction with licensees and other City agencies, the War Memorial has developed programs for the continued maintenance of the facilities and long-range plans for necessary building upgrades and improvements.



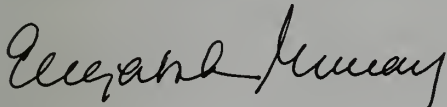
During the year, the War Memorial Board of Trustees began laying the groundwork for developing plans for the future of the War Memorial Veterans Building.

We would like to thank Mayor Brown and the Board of Supervisors for their continued support of and involvement in the War Memorial and Performing Arts Center. We would also like to take this opportunity to congratulate and thank the Trustees, management and staff of the War Memorial who have made major contributions to the success of the Center over the past year.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Yoder', with a long horizontal stroke extending to the right.

David A. Yoder
President
War Memorial Board of Trustees

A handwritten signature in black ink, appearing to read 'Elizabeth Murray', with a stylized, cursive script.

Elizabeth Murray
Managing Director

Enclosure

